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**1999 Survey of  
Rhode Island Employers  
on Health Insurance Coverage**

**Summary of Findings**

*Submitted by the  
Rhode Island Department of Health  
to The Rhode Island Foundation*

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# **1999 Survey of Rhode Island Employers on Health Care Coverage**

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## **EXECUTIVE SUMMARY**

The 1999 Survey of Rhode Island Employers on Health Insurance Coverage was commissioned by the Rhode Island Foundation and performed by the Rhode Island Department of Health. Briefly, the Survey -

- Covered employers with 3 or more employees
- Obtained responses from 1,492 employers
- Achieved a response rate of 52% from three mailings
- Collected information on employer health benefits as of June 30, 1999
- Collected information on employer opinions regarding health benefits
- Allowed comparisons between public and private employers and among employers by size

Key findings of the Survey are -

- 79% of employers (3 or more employees) offered group health insurance to their employees as of June 30, 1999. Of those, 97% paid some or all of the premium.
- The percentage of firms offering health coverage to

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their employees was greatest (98%) among employers with between 50 and 99 employees and least (68%) in the group containing the smallest employers surveyed, those with between 3 and 9 employees.

- Because larger employers were more likely to offer health coverage, 94% of workers were employed by firms who offer coverage.
- Private for-profit employers were the least likely type of establishment to offer coverage (78%); public employers (98%) were most likely.
- Among private employers, those in the retail trade (66%), construction (74%), and services industries (75%) were least likely to offer coverage; firms in the transportation and public utilities industry (96%) and finance, insurance, and real estate industry (93%) were most likely.
- In companies offering health coverage, 77% of employees were eligible for coverage. Part-time employees were much less likely (32%) to be eligible than full-time employees (92%).
- Overall, 55% of employees in all firms were enrolled in health plans offered by their employers. For full-time workers, 71% were enrolled; for part-time workers, only 10% were enrolled.
- Well under half (38%) of all employers offered a choice of one or more plans to their employees. The largest firms, those with 100 or more employees, were most likely (69%) to offer more than one plan.

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- About one in seven employers who offered coverage was self-insured for at least one offered plan.
- 88% of employers offering coverage provide the option of family coverage for employees with families.
- The majority of employers offering coverage (61%) paid the full cost of individual coverage for their employees. A smaller proportion (43%) paid the full cost of family coverage.
- The measure of plan performance most often used by employers to select health plans was the number of participating health care providers. Least often used were outcomes data, e.g., HEDIS measures.
- If faced with a large increase in premiums, many employers (61%) said they would seek a lower cost health plan and few (4%) said they would stop offering coverage to their employees.
- 45% of employers offered dental insurance as a benefit, 17% offered a vision care plan, and 6% offered long-term care insurance.
- The policy initiatives most palatable to employers were (1) forming purchasing coalitions and (2) requiring public reporting of outcomes. The least palatable were (1) requiring employers to offer more than one plan and (2) mandating employers to provide a minimum level of health coverage for their employees.

## **INTRODUCTION AND DESCRIPTION**

Most working-age Americans and their dependents obtain health care coverage through employer-sponsored group health insurance. However, coverage is less than universal among employed persons; the majority of uninsured Americans between ages 18 and 64 years are employed either full-time or part-time. Thus, any effort to reduce the number of uninsured persons must include policies and incentives to bolster employer-sponsored health benefits. These policies and incentives in turn must be based on a sound understanding of the patterns of employer participation in offering health coverage as an employee benefit and the reasons employers choose to offer or not offer this benefit. In order to support this understanding, the Rhode Island Foundation commissioned the Rhode Island Department of Health to perform a survey of Rhode Island employers regarding their practices and opinions concerning employer-sponsored health coverage. Funding for the survey was provided by the Rhode Island Foundation from a grant through the Community Health in Focus Project of the Robert Wood Johnson Foundation.



## **1999 Survey of Rhode Island Employers on Health Care Coverage**

Between September 1999 and January 2000, 1,492 Rhode Island employers participated in the survey, providing information on their practices and preferences regarding employee health benefits. The survey was a self-administered mail-out/mail-back questionnaire and requested information on benefits offered as of June 30, 1999. The sample included firms with three or more employees at Rhode Island locations and was structured to allow comparisons between public-sector and private-sector employers and among private employers grouped by number of employees (3-9, 10-24, 25-49, 50-99, and 100 or more, with between 272 and 302 respondents per group). Firms received up to three mailings to solicit their participation in the survey; the final mailing was accompanied by a telephone contact attempt. 52% of sampled firms responded.

The survey questionnaire included - (1) questions about what benefits were offered and how many employees participated, (2) questions about how employers decided to offer benefits and what to offer, and (3) questions about employers' responses to hypothetical market changes and policy initiatives. For additional detail on the survey methods and a copy of the questionnaire sent to employers, please refer to the Appendices.

## APPENDIX 3: Questionnaire

## 1999 Survey of Rhode Island Employers on Health Insurance Coverage

Please verify the information on the label above, and correct as necessary. If the company or organization is operating under a new name, please make the change above and proceed with the survey.

If the company or organization has moved to a new address and this mailing was not properly forwarded, please indicate the new address and return the blank survey form in the envelope provided. If the company or organization is known to have gone out of business, please write "Out of Business" next to the label and return the blank survey form in the envelope provided. Otherwise proceed with the survey below. Thank you.

**Q1:** What was the total number of employees of your company or organization on June 30, 1999, who were working at locations in Rhode Island? Include all full-time, part-time, and seasonal employees, as well as owner(s), who were on the payroll as of June 30, 1999, but do not include persons working under personal service contracts or hired from a temporary agency such as Kelly Services or Manpower.

Number of employees \_\_\_\_\_

If the number of employees you entered is 2 or less, please do not complete the rest of this survey. Return the survey in the envelope provided. Thank you.

Q2: Of the number of employees identified in question Q1, how many were considered full-time, and how many part-time? Number full-time\_\_\_\_\_ Number part-time\_\_\_\_\_

Q3: Is your business or organization — (check one only)

<input type="checkbox"/> for profit	<input type="checkbox"/> public school system
<input type="checkbox"/> private, not for profit	<input type="checkbox"/> other federal, state, or local government agency

Q4: About how many years has your company or organization been in existence?  
 \_\_\_ less than five years \_\_\_ 5 - 9 years \_\_\_ 10 - 24 years \_\_\_ 25 years or more

## **A. Offering Health Benefits to Employees**

A1: Did your organization or business offer a group health insurance plan for employees as of June 30, 1999? Answer "Yes" even if you offered a group health insurance plan only to some employees.    ☐ Yes   ☐ No

If "Yes" to A1:

A2: Did your organization or business contribute to this coverage?    ☐ Yes   ☐ No

If you answered "Yes" to A2, your business or organization is considered as offering health benefits to employees; GO TO SECTION B. Otherwise, continue with question A3.

A3: Has your business or organization offered health insurance as a benefit to employees at any time in the past five years?   ☐ Yes        ☐ No

If "Yes" to A3:

A4: When did you last offer a health insurance benefit?   Month\_\_\_\_\_ Year\_\_\_\_\_

Employers not offering health benefits: Please go now to Section D. Other Benefits.

## **B. Employees at Location**

Answer the following questions if you answered "Yes" to A2. If the answer to any question below is "None", please enter "0".

B1: How many of the full-time and part-time employees identified in Q2 above were eligible to enroll in a health insurance plan sponsored by your company or organization as of June 30, 1999?   Number full-time\_\_\_\_\_ Number part-time\_\_\_\_\_

B2: Did employees have to work a minimum number of hours per week to be eligible for your health insurance plan?   ☐ Yes        ☐ No

If "Yes" to B2:

B3: How many hours?   \_\_\_\_\_hours per week

B4: How many of these full-time and part-time employees were actually enrolled in a health insurance plan sponsored by your company or organization?

Number full-time\_\_\_\_\_ Number part-time\_\_\_\_\_

B5: How many of these employees have individual (employee-only) coverage?

Number full-time\_\_\_\_\_ Number part-time\_\_\_\_\_

B6: How many of these employees have family (employee plus dependents) coverage?

Number full-time\_\_\_\_\_ Number part-time\_\_\_\_\_

B7: For new employees and previously unenrolled employees who elect to enroll in a health insurance plan sponsored by your company or organization, is there a waiting period before their coverage is effective?    ☐ Yes   ☐ No

If “Yes” to B7:

B8: How long is the waiting period?

☐ until the first day of the following month   ☐ 30 days   ☐ 60 days   ☐ 90 days   ☐ over 90 days

B9: About what percentage of your employees were union members as of June 30, 1999? If none, please enter “0”.    percent

B10: What was the total annual payroll for the most recent fiscal or calendar year for this location including both hourly and salaried workers? Total annual payroll \$

B11: Over that same annual period, approximately how much did your company or organization spend on all your health insurance plans for this location? Please include all premiums (including employee contributions) and claims your company paid for all employees, as well as for any former employees or retirees that were covered. Please also include any other costs such as administrative costs, stop-loss coverage or reinsurance. You may enter either a dollar amount or a percentage of total payroll.

Dollar amount \$ , or  percent of total payroll

### **C. Health Insurance Plans**

Please identify below all health insurance plans providing comprehensive medical care that your company or organization offered as of June 30, 1999. Please count as separate plans each HMO, PPO, or conventional health insurance plan offered (see questions C3 through C5 for definitions), even when two or more are offered through the same insurer, and count each “high-option” and “low-option” plan separately, where such are offered. Include any plans employees obtain through a union or through a professional or trade association, if your company or organization pays for part or all of the coverage. Do not count any plans that cover just dental care, vision care, or prescription drugs, or any coverage for “dread diseases”, hospital indemnity payments, or disability insurance.

C1: Total number of health plans offered

C2: How many of the plans counted in C1 are self-insured plans? In self-insured plans, your company or organization bears the financial responsibility or “risk” for employees’ medical claims. The plan is usually administered by a health insurer, such as a Blue Cross/Blue Shield plan or a commercial insurer, or by a third-party administrator (TPA).

Number of self-insured plans (If none, please enter “0”)

C3: Is any of the health plan(s) counted in C1 a Health Maintenance Organization (HMO)? An HMO offers comprehensive health care from a specified set of providers. Care from providers outside the HMO is only covered in emergencies or when the patient is referred by an HMO provider.   ☐ Yes   ☐ No

C4: Is any of the health plan(s) counted in C1 a Preferred Provider Organization (PPO)? In a PPO, the covered person may seek care from a provider associated with the plan (preferred provider) or a provider outside the plan. Typically, the patient pays more to see a provider outside the plan. ☐Yes ☐No

C5: Is any of the health plan(s) counted in C1 a conventional health insurance plan? Under conventional health insurance, the covered person seeks care from his/her own choice of providers on a fee-for-service basis. Either the patient or the provider then submits a claim. ☐Yes ☐No

Questions C6-C8 refer to health coverage for individual employees only.

C6: On average for all of your employees who receive individual (employee-only) coverage in the health plan(s) counted in C1, about what percentage of the total monthly premium is paid for by the employer? Percentage (between 1 and 100) \_\_\_\_

C7: Which of the following best describes the way your company sets the employer's contribution for health insurance? Please answer for individual coverage. (Check only one.)

☐ The employer pays the full amount for all plans (100%).

☐ The employer pays the same dollar amount for each plan (the employee pays the difference).

☐ The employer pays the same percent for each plan (the employee pays the difference).

☐ The employee pays the same dollar amount for each plan (the employer pays the difference).

☐ The employee pays the same percent for each plan (the employer pays the difference).

☐ Some other method.

C8: Has your company or organization changed the way it sets the employer's contribution for individual coverage since June 30, 1998, that is, one year ago? ☐Yes ☐No

If "Yes" to C8:

C9: How has the employer's contribution changed? ☐Increased ☐Decreased

Questions C10-C12 refer to family health coverage.

C10: Does your company or organization offer family coverage through any of the health plan(s) counted in C1? ☐Yes [If "Yes" go on to question C11.]  
☐No [If "No", skip to question C15.]

C11: On average for all of your employees who receive family coverage in the health plan(s) counted in C1, approximately what percentage of the total monthly premium is paid for by the employer? \_\_\_\_\_percent (between 1 and 100)

C12: Which of the following best describes the way your company sets the employer's contribution for health insurance? Please answer for family coverage. (Check only one.)

☐ The employer pays the full amount for all plans (100%).

☐ The employer pays the same dollar amount for each plan (the employee pays the difference).

☐ The employer pays the same percent for each plan (the employee pays the difference).

☐ The employee pays the same dollar amount for each plan (the employer pays the difference).

☐ The employee pays the same percent for each plan (the employer pays the difference).

☐ The employee pays the full difference between the individual and family premiums.

☐ Some other method.

C13: Has your company or organization changed the way it sets the employer's contribution for family coverage since June 30, 1998, that is, one year ago? ☐ Yes ☐ No

If "Yes" to C13:

C14: How has the employer's contribution changed? ☐ Increased ☐ Decreased

C15: Does your company or organization purchase health insurance through a health insurance purchasing cooperative (e.g., Good Neighbor Alliance), a business coalition (e.g., a chamber of commerce), or a multiple employer trust (MET)? ☐ Yes ☐ No

C16: Does your company or organization purchase health insurance through an insurance broker? ☐ Yes ☐ No

C17: Organizations sometimes consider measures of plan performance when selecting health plans to offer their employees. Does your company or organization use any of the following measures?

### Plan Performance Measures

Yes, uses No, does not use

Plan accreditation by a national board or commission, such as the NCQA?

Board certification of participating physicians?

The number of participating physicians and hospitals?

The results of patient or member satisfaction surveys?

Scores on a report card of selected outcomes, such as HEDIS measures?

C18: Below is a list of things companies and organizations might do if their insurance premiums went up considerably, say by 15 percent. Is it likely or unlikely that your organization would — (please answer for each possible action)

Possible Actions:

Likely Unlikely Don't Know

Switch to another insurer with a lower cost plan?

Increase the employee share of the premium payment?

Join a purchasing cooperative or business coalition?

Stop making health insurance available?

Absorb most or all of the increase?

C19: Please list any other actions your company or organization might take in response to a 15-percent increase in its health insurance premiums:

**D. Other Benefits** (This section to be filled out by all companies or organizations.)

D1: As of June 30, 1999, did your company or organization offer employees any benefits listed below?

Type of Benefit:	Yes, Offered	Not offered
------------------	--------------	-------------

A dental insurance plan [a plan covering only dental care, including checkups, cleaning, and fillings, as well as more involved procedures]		
---	--	--

A vision care plan [a plan covering only eye examinations, eye care, and eyeglasses]		
--	--	--

Long-term care insurance [insurance covering nursing home care and home health care for persons with chronic health problems, that is not covered by basic health insurance]		
--	--	--

**E. Policy Options** (This section to be filled out by all companies or organizations.)

E1. Below is a list of possible changes in policy that have been proposed to support and/or expand the provision of health insurance as a benefit of employment. For each option, please indicate whether your opinion is very favorable, somewhat favorable, somewhat unfavorable, or very unfavorable.

Policy Options:	Very favorable	Somewhat favorable	Somewhat unfavorable	Very unfavorable
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Businesses would form private purchasing coalitions to obtain lower and more stable health insurance rates.				
---	--	--	--	--

Government would partly subsidize employer-sponsored health insurance for low-income workers.				
---	--	--	--	--

Employers could purchase low-cost health insurance for their employees from the state's Rite Care program.				
--	--	--	--	--

All health plans would be required to report measures of their health care outcomes to the public.				
--	--	--	--	--

Employers who offer health benefits would be required to give their employees a choice of two or more plans.				
--	--	--	--	--

All employers would be required to provide minimum health benefits to their employees.				
--	--	--	--	--

#### CHECKPOINT:

If you answered “Yes” to question A2 above and have completed sections B, C, D and E, please go to the END of the survey and follow the instructions there.

If your company or organization does not offer health insurance, but did offer it at any time during the past year, please go to Section G and complete that section.

If your company or organization does not offer health insurance, and has not done so at any time during the past year, please complete Section F below.

#### **F. Firms not offering health insurance during past year**

F1: Below are some reasons why companies and organizations might not offer health insurance to employees. For each reason, please indicate whether it is very important, somewhat important, not too important, or not important at all in your company or organization’s decision not to provide health insurance.

Reasons why companies and organizations might not offer health insurance to employees:

	Very important	Somewhat important	Not too important	Not at all important
Premium costs are too expensive for employees to pay their share of a health plan.				
Employees prefer higher wages rather than health benefits.				
One or more employees cannot qualify for health insurance because of a pre-existing condition or poor health.				
Most of the employees have health insurance coverage through another family member.				
Most of the employees have government-sponsored health insurance coverage, e.g., through the Rite Care program.				
Most lower-cost plans have limited benefits.				
Premium costs are too expensive for the employer to pay.				
The employer cannot obtain insurance because of the type of business (e.g., the work itself may be risky for employees).				

F2: In the past year, has your company looked into purchasing health insurance for employees, e.g., by getting premium quotes from an agent, broker, or health plan?   \_\_\_Yes   \_\_\_No

Now please go to the END of the survey and follow the instructions there.

#### **G. Firms discontinuing health insurance during past year**

G1: Below are some reasons why companies and organizations stop offering health insurance to employees. Please indicate in the check boxes whether the reason given was the principal reason your company or organization stopped offering health insurance (check one only), or a



contributing reason (check as many as apply), or not a reason.

Reason to stop offering health insurance to employees:

	Principal Reason	Contributing Reason	Not a Reason
The insurer would not renew the contract			
The insurer substantially increased premiums because a covered employee or dependent experienced a catastrophically expensive illness.			
The insurer substantially increased premiums for other reasons.			
The employees decided they preferred higher wages.			
Most employees got health insurance through another family member.			
Most employees got health insurance through a government-sponsored program.			
One or more employees could not qualify for health insurance because of poor health.			

G2: Please list any other reason(s) why your company or organization stopped offering health insurance:

**END OF THE SURVEY. PLEASE CHECK THAT YOU HAVE COMPLETED ALL RELEVANT SECTIONS.**

If your company or organization offers health insurance to your employees (i.e., answered "Yes" to question A2 on Page 1), you should have completed sections A, B, C, D and E.

If your company or organization does not offer health insurance to your employees, but did offer it during the past year, you should have completed sections A, D, E and G.

If your company or organization does not offer health insurance, and has not done so at any time during the past year, you should have completed sections A, D, E and F.

THANK YOU FOR COMPLETING THE SURVEY. We appreciate your willingness to help in this effort. Please give the name and telephone number of the person completing this survey. It will only be used if we need to clarify an entry on the survey, and it will not be kept with the survey database. If you would like to receive a copy of the analyzed data when it is published, please provide your mailing address as well.

Name \_\_\_\_\_

Address \_\_\_\_\_

Telephone \_\_\_\_ - \_\_\_\_ - \_\_\_\_\_

What is your position in the company or organization? (Check one only)

- ☐ Owner, president, chief executive officer
- ☐ Treasurer, chief financial officer
- ☐ Personnel manager, human resources manager, benefits manager
- ☐ Office manager, bookkeeper
- ☐ Administrative assistant, secretary
- ☐ Other

Thank you again. Please return your completed survey in the envelope provided or to the Employer Health Benefits Survey, Office of Health Statistics, Rhode Island Department of Health, 3 Capitol Hill, Providence RI 02908.